CSR and Impact of Government Directives with reference to IT Sector Implementation

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Introduction

Corporate Social Responsibility (CSR) is playing an increasingly important role amongst organizations both nationally and internationally. Large corporations have begun to recognize the advantages of offering CSR programmers in their various locales as globalization accelerates and they can act as global providers. CSR initiatives are increasingly being conducted out globally (1-2). However, “CSR” is a set of behaviors and policies that are connected to relationships with important stakeholders, values, legal compliance, respect for individuals, communities, and the environment, as well as the commitment of business to support sustainable development.

Indian culture is built on the idea of social responsibility. A type of corporate regulation that is incorporated into a firm is called “Corporate Social Responsibility (CSR)”, also known as corporate duty, corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance. This religion places a strong emphasis on social obligations in all of its principles, ethics, and values. As social part from the beginning, humans have always preferred to flourish alongside with other people, animals, and nature even in the current, interconnected period. The majority of human lifestyles are roughly based on these elements(3). This also applies to the corporate sector. Every business and corporate sector has a factor that acts inside society, which is a well-known reality. It makes use of society's resources. The ability of the current generation to meet its requirements without compromising the capacity of future generations to do the same is commonly defined as sustainable development. The term "Corporate Citizenship," which is founded on the idea that a corporation is a citizen, is also widely used to describe CSR and is occasionally used considered synonymous.

It makes use of society's resources and depends on it for success in order to operate. The corporate sector now has a duty to accept responsibility for the society's well-being. Many times, spiritual people look down on business, and businessmen occasionally view spirituality as impractical(4-5). The ancient people understood that as like the heart and legs of business, are spirituality and commitment. Without each of these, neither an individual nor society is complete.

Spirituality provides mental and emotional comfort whereas the business or corporate sector provides material comfort. Researcher discovered a reflection of this comprehensive strategy in corporate social responsibility. Corporate social responsibility

is an effort by businesses to take different actions to satisfy. The study identified a reflection of this all-encompassing strategy in corporate social responsibility(5).

Although, corporate social responsibility is an initiative made voluntarily by businesses to serve the needs of numerous interest groups, including owners, investors, employees, consumers, the government, and society or community(4-9). Social responsibilities of business towards different part of society are as below:-

The method for CSR is interpreted affects how governments, the commercial sector, and civil society interact. As a result, different parties have varying interpretations of the necessity, requirements, and significance of corporate social responsibility norms. For instance, one must be cautious when interpreting and defining the term "CSR," as it is occasionally wrongly associated with either corporate charity or merely legal compliance. Since the middle of the 1990s, the business sector has steadily taken on a number of initiatives that were formerly the government's responsibility, however due

to the latter's limitations, business has assumed the initiative. As a result of involvement in such initiatives, it has become clear that business works closely with the government and international organizations as a strategic partner in the development process. Therefore, compelling need to guarantee that private interest is balanced with the public good as the private sector's importance to global economy, governance, and development grows. However, establishing public-private partnerships or global corporate citizenship is not simple. Making a conducive atmosphere for these two interconnected activities to thrive is one of the primary concerns.

Review of literature

The idea of corporate social responsibility, which is defined as the duty of corporate decision-makers to act in a way that protects and enhances the welfare of society as a whole as well as their own interests, has received more attention in recent years (10). Business social responsibility, according to Matten and Moon (2005), is defined as corporate policies and volunteer activities that take on responsibility for the interests of society (11).

Friedman stated that businesses had only a responsibility to use legal ways to increase profits in the 1970s, but Carroll asserted that they had wider obligations to society in 1979. These cover their financial, legal, moral, and charitable, or discretionary, obligations. Carroll (1979) asserts that economic obligations include the need to produce, make money, and expand. Economic obligations are met in accordance with the law thanks to legal obligations(12). The appropriate, decent, and reasonable behaviour required to respect the rights of others is reflected in ethical duties, which represent unwritten codes, conventions, and values implicitly inherited from society. The voluntary and optional component of corporate responsibility that works to improve the wellbeing of the larger community is known as philanthropy(13).

According to Gautam and Singh (2010), corporate social responsibility has evolved into a holistic business strategy as a result of demand from stakeholders and performance-related factors. Policies for corporate social responsibility change according to revenue and profit. The concept of corporate social responsibility is still developing. Many businesses have extremely thinly distributed their CSR expenditures among a variety of initiatives.

According to Bhatia & Chander (2014), social and economic performance are the two main and powerful foundations for business growth. Companies began investing in corporate social responsibility as part of their overall growth objectives. According to the study's findings, few of India's top corporations disclose their corporate social responsibility activities. Despite this, it is notable that company engagement and the environment, which are actual CSR issues, are the most frequently declared categories of corporate social responsibility by Indian companies.

The trend of corporate social responsibility spending by Indian businesses, particularly in the wake of the 2013 Companies Act, was discovered by Rai & Bansal in 2014. They place focus on the connection between corporate social responsibility spending

and company earnings and point out that business size has a beneficial impact on the relationship.

According to Arora (2017), corporate social responsibility is a key management concern that places businesses in a position to manage risk and benefit from obligations. he also mentions the concern over the Corporate Social Responsibility reporting practices used by the chosen businesses in India. It can be observed that the chosen businesses are conscious of their social obligations.

Kumar & Dhanda(2017) states that it is mandatory for the companies to spend 2% of the average net profits on Corporate Social Responsibility activities according to the law of new Companies Act,2013.In the first 2 years, there was increase in the Corporate Social Responsibility spending of several companies but later on companies fail to meet the requirements of the law set by the Companies Act,2013.

Saluja & Kapoor(2017) states that one of the great challenges faced by the firms is integration of Corporate Social Responsibility in business. CSR refers to 'soft' , voluntary self regulatory adopted by firms to improve aspects of the company, which can be related to labour, environmental and human rights issues. Corporate Social Responsibility focused businesses should pro-actively promote the public interest by encouraging community growth and development and voluntarily eliminating practices that harm the public , regardless of legality.

Sanghani(2017) studies the attempt to analyse the Corporate Social Responsibility practices in selected Indian Organisation which is NTPC, Power Grid , Reliance Industries Ltd. And Tata Consultancy Services. The variables of the study were education, eradicating hunger, protection of heritage , arts , sports. It was studied that all the four companies emphasis on spending upon as promotion of education, environmental sustainability and promoting gender, equality.

Kavitha (2018) found the trends and patterns of Corporate Social Responsibility expenditures of manufacturing firms in India in both voluntary and mandatory period. According to the study, there is increase in the Corporate Social Responsibility expenditure of manufacturing firms. In voluntary period, more on Corporate Social Responsibility are spend through donations rather than social and community expenses. In mandatory period, there are declines in the amount of money spend on the Corporate Social Responsibility through donations and increase in social and community expenses.

Michael & Gruning(2018) found that the corporate identity is important determinant for Corporate Social Responsibility disclosure. CSR disclosure has been analyzed with an automated content analysis technique using artificial intelligence. Tradition of Social Responsibility and values results into low perceived need for legitimacy and outward communication. The combination of voluntary disclosure theory & legitimacy theory is necessary to explain the drivers & constraints of Corporate Social Responsibility Disclosure.

Corporate philanthropy is one of the most evident ways to be a good corporate citizen and support the community. According to McAlister and Ferrell (2002), the ability to connect an organization's primary assets with its employees, customers, suppliers, and the requirements of society enables it to be a good corporate citizen(14). According to Jones (1994), Carroll's suggestion of discretionary responsibility and corporate giving fit together effectively (1979). Large firms have more recently begun to formalise, manage, and incorporate their philanthropic initiatives into their corporate strategies (15-16).

A variety of possible causes for corporations to engage in charitable activities are shown by several models of corporate philanthropy (17). The altruistic model postulates that organizations are driven by a desire to help others On the other hand, corporate philanthropy is anticipated to have strategic benefits for the firms, such as increasing power and legitimacy and acquiring a competitive edge, according to the profit maximization and political and institutional power models (17-18).

Upper executives must encourage philanthropy, and the stakeholders' needs and benefits must be factored into the system. Therefore, corporate giving volunteer initiatives and other donations are planned in accordance with company strategy and the corporation's objective. Numerous voluntary efforts related to education, the environment, health, safety, the arts and culture, as well as other community development projects, are being adopted by a growing number of corporations. Higher employee morale, better employee engagement and productivity, improved corporate image and reputation, increased sales and profitability, and consumer loyalty are all advantages of these charitable efforts for businesses (18-22).

Additionally, since they have greater access to finance, receive government assistance, and can more quickly earn the favour of local communities, socially responsible firms can more easily generate new economic prospects (23).

However, corporate philanthropy has come under criticism in the literature, notably for being used as a tactic to boost revenues and/or improve the reputation of businesses (23). According to Porter and Kramer (2002), cause-related marketing and other high-profile sponsorships are two ways that charity is being used more and more as a type of public relations or advertising to enhance a company's reputation or brand. Initiatives for corporate social responsibility have also been referred to as "window dressing" and "cosmetic therapy" in some cases (24).

Corporate Social Responsibility In IT Industry

All industry's corporate governance policy affects CSR. Information technology firms like Infosys, TCS, and Wipro contribute to social advancement. Future The focus of this effort may be primarily on the actual execution of the corporate governance policy. Current status is reflected in the actual implementation. The cost of licensing is a norm across all IT industries. However, open source is another area where these businesses can develop applications for NGOs, small and medium-sized businesses, and education at a cheap cost or for free. At a conference Tim O'Reilly, a technology publisher, conducted in April 1998, the phrase "Open Source" received a significant boost. The event brought together the heads of many of the most significant free and open source projects, including Linus Torvalds, Larry Wall, Brian Behlendorf, Eric Allman, Guido van Rossum, Michael Tiemann, Paul Vixie, Jamie Zawinski of Netscape, and Eric Raymond. It was originally called the "Freeware Summit" and later changed its name to the "Open Source Summit." The ambiguity brought on by the term "free software" was discussed at the discussion. Tiemann argued in favour of the phrase "source ware," while Raymond supported the term "open source." Following a vote among the present developers, the winner was declared at a press conference that same evening. The first public appeal to the free software community to use the new word was made by Raymond five days later. Shortly after, the Open Source Initiative was created.

Some Important Foundations Working For Promoting Open Source- THE ECLIPSE FOUNDATION, THE FREE SOFTWARE FOUNDATION, THE LINUX FOUNDATION, THE MOZILLA FOUNDATION, OASIS, ODF ALLIANCE, OPEN INVENTION NETWORK, PYTHON SOFTWARE FOUNDATION,

Research Gap

According to a review of the literature, there have been several research on the various facets of corporate social responsibility during the past 40 years. However, very few research have been undertaken in the Indian context. For the benefit of the society and economy, sustainability and responsible growth are crucial. Concerns about the widening social gaps in India, the country's growing need to close these gaps and promote inclusive growth, and stakeholders' growing ethical and social concerns over the effects that business activity has on society and the environment are all factors that keep the idea of corporate social responsibility in the spotlight.

The contributions made by the corporations serve as the blueprint for their goals and strategies for maximizing the social benefits of wealth creation. The social behaviour and practices of a corporation show that it has fulfilled its social responsibilities as well as its moral and ethical commitment to contribute to the society's inclusive development.

The corporate CSR disclosures provided in annual reports or on corporate websites influence stakeholders' expectations of the company's ethical behaviour. In reality, the new Companies Act of 2013 requires profitable businesses to invest at least 2% of yearly net earnings in CSR and to declare these efforts in annual reports.

The increasing relevance of CSR and its transparency motivates researchers to conduct investigations on the CSR activities of Indian corporations. In addition to analyzing the relationship between various business characteristics and social performance and the corporate social and financial performance in India, the study will expand the little body of literature on CSR disclosure practices in India.

It is not sufficient to merely be aware of a corporation's CSR initiatives and practices as a consequence of persistent CSR orientations; one must also determine whether the CSR initiatives are having real effects on society. Consequently, it is essential to conduct an effect analysis of corporate social responsibility programmes. The present study will attempt to start the research on this topic because there haven't been many studies in India that evaluate the social initiatives of corporate India.

Objectives

1) To understand about the Corporate Social Responsibility along with Government directives and how the Corporate Social Responsibility is important for IT Companies.
2) To understand role and responsibility of the Government in promoting the Corporate Social Responsibility
3) To understand about the trend in Corporate Social Responsibility of the IT companies. And also perform a comparative study on the Corporate Social Responsibility of the IT companies like Infosys, Reliance and TATA.
4) To examine the focuses of Indian companies towards the corporate social responsibilities

Research Methodology

Data Collection Method

Primary Data

It is original primary data, for specific purpose of research project. For this project, I have to use the common research instrument or tool- Questionnaire (appendix A and B).

Data will collect through annual reports of these proposed Indian companies and a Questionnaire sent to employees of these companies who are engaged in the execution of CSR activities. The practice of CSR adopted by these companies corroborates the generalization of the hypothesis. Responses of the employees on corporate social responsibilities in Indian companies; to further explore the aspects of corporate social responsibilities as well as with employees, a survey will carry with employees from Indian companies will chose on stratified random sampling basis and the Questionnaire will administer to collect their opinions on CSR aspects in their organizations.

Secondary Data

It will be collected to add the value to the primary data. This may be used to collect necessary data and records by different websites, magazines, annual reports, journals, reference books, and newspapers, etc.

Sampling

Sampling is a process use in statistical analysis in which a predetermined number of observations will be take from a larger population so that by studying the sample we may fairly generalize our results.

Sample unit: - 200

Sample Area: - Delhi NCR

Data Analysis: - ANOVA Chi Square test using SPSS

Research Hypothesis:

- An effective Corporate Social Responsibility (CSR) programme relates with government operations and how involved it is in making improved laws and regulations and guidelines for government directives. Moreover, how it is important in the administration of IT-related companies in India. Especially when engaging in overseas trade to maintain the country's reputation.
- The government is taking critical steps to create an enabling climate for private sector development by lowering risks, lowering costs and operational hurdles, and increasing incentives and opportunities for competitive and responsible private firms. Now this challenge for government how it is involved in promoting a CSR agenda is to define goals, promote awareness, offer incentives and support, and generate resources from cross-sector collaboration that are significant in the national context, while also expanding on current programmes and skills.
- CSR is a motivating factor in the IT companies (Infosys, Reliance and TATA.), and it is proposed that CSR is critical to the success of many local and international IT enterprises.

- The proportion of money spent on CSR as a metric of profits would rise as profits grew, even if a corporation generating more money would have to spend more money on CSR activities to achieve the higher percentage level. As a result, it is considered that CSR panels are among the most under utilized organizations in corporate governance, both in terms of membership and the number of times the committee meets in a fiscal year.

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